Office of the Superintendent of Financial Institutions Canada
Bureau du surintendant des institutions financières Canada

Office of the Superintendent of Financial Institutions

2015-16

Departmental Performance Report

The Honourable William Francis Morneau, P.C., M.P.
Minister of Finance

OSFI
BSIF

Canada

© Her Majesty the Queen in Right of Canada, as represented by the Minister of Finance, 2016

Catalogue No. IN3-17E-PDF
ISSN 2368-3023

Table of Contents

Superintendent's Message 1

Results Highlights 3

Section I: Organizational Overview 5

- Organizational Profile 5
- Organizational Context 5
- Organizational Priorities 8

Section II: Expenditure Overview 17

- Actual Expenditures 17
- Budgetary Performance Summary 18
- Departmental Spending Trend 19
- Expenditures by Vote 19
- Alignment of Spending With the Whole-of-Government Framework 20
- Financial Statements and Financial Statements Highlights 21

Section III: Analysis of Programs and Internal Services 25

- Programs 25
  - Program 1.1: Regulation and Supervision of Federally Regulated Financial Institutions 25
  - Program 1.2: Regulation and Supervision of Federally Regulated Private Pension Plans 33
  - Program 2.1: Actuarial Valuation and Advisory Services 36
- Internal Services 43

Section IV: Supplementary Information 45

- Supplementary Information Tables 45
- Federal Tax Expenditures 46
- Organizational Contact Information 46

Appendix: Definitions 47

Endnotes 51

Superintendent's Message

The year under review was notable for the continuing low interest rate environment globally, growing levels of household debt in Canada, and unsettled international markets. In 2015-16, the Office of the Superintendent of Financial Institutions (OSFI) undertook a number of initiatives to address growing risks in these areas, and others, in order to further strengthen Canada's system of financial regulation and supervision.

In August 2015, OSFI issued a draft Operational Risk Management guideline for public consultation. The guideline recognizes that regulated entities will have different operational risk management practices depending on such factors as their size, ownership structure, complexity of operations and risk profile. This principles-based approach to regulation gives Canadian financial institutions some flexibility in how they manage their risks, supporting effective competition.

In March 2016, OSFI issued the draft Life Insurance Capital Adequacy Test (LICAT). The LICAT is the culmination of over a decade of work undertaken to replace the current Minimum Continuing Capital and Surplus Requirements guideline, which has been in place since 1992. The draft guideline takes into account the current economic realities of the life insurance business, recent developments in actuarial and financial reporting standards as well as economic and financial practices, and international trends in solvency frameworks. OSFI will be receiving input from the industry over the summer months and expects to be able to release the guideline in final form in the fall of 2016.

The year under review saw OSFI's continuing collaboration with our federal financial regulatory partners. During the year, I chaired four meetings of the Financial Institutions Supervisory Committee (FISC) composed of the Governor of the Bank of Canada, the Deputy Minister of Finance, the chair of the board of directors of Canada Deposit Insurance Corporation and the Commissioner of the Financial Consumer Agency of Canada. Bi-laterally, we worked with the Bank of Canada to conduct macro stress-tests and with Canada Deposit Insurance Corporation and the Department of Finance on a bail-in regime. Our strong relationships with our FISC partners continued to support Canada's robust financial system.

Internally, our focus continued to be on supporting a high-performing workforce. In this area, we developed a cyber security strategy and action plan, which will be implemented in the coming years. We also began migrating content into a new documents and record management system, which will ensure employees have access to the information they need when they need it. Our intranet was upgraded so that all employees can be kept informed in a timely manner of corporate news as well as well as the initiatives being worked on by their colleagues across the office.

I continue to be impressed by the sustained dedication of my OSFI colleagues. Their professionalism, knowledge and integrity greatly contribute to our collective success as Canada's financial services regulator and supervisor.

Results Highlights

What funds were used?

$144,218,577
Actual spending

Who was involved?

666
Actual Full-Time Equivalents

Results Highlights

- ✓ Issued a draft Operational Risk Management guideline.
- ✓ Established an advisory program to review the application of guidelines and methodology for small and mid-sized deposit taking financial institutions.
- ✓ Worked to develop a more advanced risk-based capital approach for life insurers and for mortgage insurers.
- ✓ Developed an internal cyber security strategy and action plan.

Section I: Organizational Overview

Organizational Profile

Appropriate Minister: William Francis Morneau

Institutional Head: Jeremy Rudin

Ministerial Portfolio: Finance

Enabling Instrument(s): *Office of the Superintendent of Financial Institutions Act* (OSFI Act)[i]

Year of Incorporation / Commencement: 1987

Organizational Context

Raison d'être

The Office of the Superintendent of Financial Institutions (OSFI) was established in 1987 by an Act of Parliament: the *Office of the Superintendent of Financial Institutions Act.* It is an independent agency of the Government of Canada and reports to Parliament through the Minister of Finance.

OSFI supervises and regulates all banks in Canada and all federally incorporated or registered trust and loan companies, insurance companies, cooperative credit associations, fraternal benefit societies and private pension plans. OSFI's mandate does not include consumer-related issues or the securities industry.

The Office of the Chief Actuary (OCA), which is an independent unit within OSFI, provides actuarial valuation and advisory services for the Canada Pension Plan, the Old Age Security program, the Canada Student Loans and Employment Insurance Programs and other public sector pension and benefit plans.

Responsibilities

OSFI was created to contribute to public confidence in the Canadian financial system. Under its legislation, OSFI's mandate is:

Fostering sound risk management and governance practices
OSFI advances a regulatory framework designed to control and manage risk.

Supervision and early intervention
OSFI supervises federally regulated financial institutions and pension plans to determine whether they are in sound financial condition and meeting regulatory and supervisory requirements.

OSFI promptly advises financial institutions and pension plans if there are material deficiencies, and takes corrective measures or requires that they be taken to expeditiously address the situation.

Environmental scanning linked to safety and soundness of financial institutions
OSFI monitors and evaluates system-wide or sectoral developments that may have a negative impact on the financial condition of federally regulated financial institutions.

Taking a balanced approach
OSFI acts to protect the rights and interests of depositors, policyholders, financial institution creditors and pension plan beneficiaries while having due regard for the need to allow financial institutions to compete effectively and take reasonable risks.

OSFI recognizes that management, boards of directors and pension plan administrators are ultimately responsible for risk decisions and that financial institutions can fail and pension plans can experience financial difficulties resulting in the loss of benefits.

In fulfilling its mandate, OSFI supports the government's objective of contributing to public confidence in the Canadian financial system.

OSFI works with a number of key partners on the Financial Institutions Supervisory Committee (FISC), which the Superintendent chairs, including the Department of Finance Canada, the Bank of Canada, Canada Deposit Insurance Corporation and the Financial Consumer Agency of Canada. Together, these organizations constitute Canada's network of financial regulation and supervision, and provide a system of depositor and policyholder protection.

The Office of the Chief Actuary is an independent unit within OSFI that provides a range of actuarial valuation and advisory services to the Government of Canada (see Program 2.1 on page 36 for further details).

Strategic Outcomes and Program Alignment Architecture (PAA)

1. **Strategic Outcome:** A safe and sound Canadian financial system
    - **1.1 Program:** Regulation and Supervision of Federally Regulated Financial Institutions
        - **1.1.1 Sub-Program:** Risk Assessment and Intervention
        - **1.1.2 Sub-Program:** Regulation and Guidance
        - **1.1.3 Sub-Program:** Approvals and Precedents
    - **1.2 Program:** Regulation and Supervision of Federally Regulated Private Pension Plans

2. **Strategic Outcome:** A financially sound and sustainable Canadian public retirement income system
    - **2.1 Program:** Actuarial Valuation and Advisory Services
        - **2.1.1 Sub-Program:** Services to the Canada Pension Plan and Old Age Security Program

2.1.2 Sub-Program: Services to Public Sector Pension and Insurance Programs

2.1.3 Sub-Program: Services to the Canada Student Loans and Employment Insurance Programs

Internal Services

Operating Environment and Risk Analysis

The external environment within which OSFI operates is constantly evolving and becoming more complex. Uncertain economic and financial conditions as well as globalization create challenges for financial institutions and a range of risks making OSFI's ability to achieve its mandate and objectives more complex.

In 2015-16, OSFI paid particular attention to two risk areas that are detailed below.

Key Risks

Risk	Risk Response Strategy	Link to the Organization's Program (s)
Cyber security events: Financial Institutions may lack resilience to sustained levels of stress caused by cyber security event. This risk is of concern given the rapid evolution of cyber attacks, their increasing number, and system interdependencies creating multiple points of vulnerability for institutions.	This risk was identified in the 2015-16 Report on Plans and Priorities (RPP). Risk responses during 2015-16 included: • Continuing to follow up and review materials provided by domestic systemically important banks (DSIB) in order for these financial institutions to close action items from the 2014 third party review of cyber security practices. • Ensuring that the cyber security programs of financial institutions continue to evolve with the threat landscape. • Continuing to monitor risks to the completion of cyber risk action plans. • Augmenting OSFI's technology / information security risk reporting to include the severity of cyber incidents.	Program 1.1: Regulation and Supervision of Federally Regulated Financial Institutions
Shared or Harmonization Initiatives: This risk related to the service and cost implications on OSFI as a result of the centralization and standardization of operations across the Government of Canada. Given its small size, OSFI needs to monitor, plan for,	This risk was identified in the 2015-16 RPP. Risk responses during 2015-16 included: • Proactively executing mitigation measures in the changeover to the Government of Canada's new Phoenix pay system that minimized impacts on employee compensation and implementing change management plans to assist OSFI users. In support of the transition, OSFI provided its users with various learning opportunities including	Program 1.1: Regulation and Supervision of Federally Regulated Financial Institutions

Risk	Risk Response Strategy	Link to the Organization's Program (s)
and carefully manage the implementation of shared or harmonization initiatives to minimize business disruption and maintain the flexibility necessary to conduct business effectively.	on-line training, information sessions, peer support as well as ongoing communication throughout the system implementation period.	

Additionally, OSFI monitored ongoing sources of risks to the safety and soundness of the Canadian financial system such as domestic household debt, low oil prices, low long-term interest rates and ongoing global financial uncertainty.

In response to these ongoing concerns, OSFI continued to work with its domestic and international partners and undertook a number of initiatives to further strengthen Canada's system of financial regulation and supervision. OSFI also conducted reviews in several areas including corporate and commercial lending, retail lending, outsourcing, risk management and compliance over the course of the fiscal year. It examined links between regulated financial institutions and the shadow banking sector to better understand potential prudential issues for the Canadian financial system.

Pension plans continued to face challenging economic conditions in 2015. The ongoing challenges of volatile financial markets, generally lower expected investment returns and long-term interest rates, and longevity improvements are seen as the new norm. Over the course of the year, OSFI continued to oversee pension plans in a context where sponsors and administrators are increasingly looking at ways to reduce pension risks (e.g., changing investment strategies, closing existing defined benefit plans to new members, purchasing annuities, using products or contracts designed to protect pension plans from the risk of unexpected increases in the longevity of pension plan members, etc.).

Finally, OSFI is mindful of its internal environment given the important role that its staff and supporting operations play in responding to changes in the business environment. As a result, OSFI has dedicated significant efforts to managing internal risks related to its human resources, systems and processes.

Organizational Priorities

Priority A: Anticipating and Responding to Risks

Description

Internally, OSFI values sound risk management practices that are consistent with the high expectations it places on the regulated entities it supervises. Understanding the external risks that could negatively impact the financial system informs the regulatory and supervisory actions that OSFI undertakes.

Priority Type

Ongoing

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Program(s)
Continue to enhance OSFI's ability to proactively monitor the impacts of changes in the economy on the risk profile of institutions and, where appropriate, adjust OSFI regulatory and supervisory expectations	November 2014	On going	On track (Macro stress testing exercises – banking and insurance)	Sub-Programs 1.1.1 and 1.1.2
Deepen OSFI's understanding of risk factors arising from, and the oversight of, the parts of the financial system that are outside of OSFI's direct responsibilities (e.g., market based financing, securities financing), but which may affect the safety and soundness of Federally Regulated Financial Institutions (FRFIs) and OSFI's prudential oversight activities.	April 2015	March 2018	On track (Market based financing emerging risks)	Sub-Program 1.1.1
Continue to focus on the following supervisory areas: • Compensation and corporate governance/ risk management oversight capabilities including data aggregation and risk reporting (RDARR), especially for large complex FRFIs; and • Operational risk, including cyber security and outsourcing risks.	April 2015	March 2016	Completed (Compensation and corporate governance/risk management oversight)	Sub-Programs 1.1.1 and 1.1.2
	December 2015	January 2017	On track (Data aggregation and risk reporting – 2015 comparative report completed December 2016; RDARR final report to be completed January 2017)	
	April 2014	December 2015	Completed (Cyber security)	

	April 2014	March 2015	Completed (Outsourcing)	

Progress Toward the Priority
This is an ongoing broad priority with initiatives spanning multiple years in some cases. The focus is modified annually based on OSFI's response to the external environment. In 2015-16, steps undertaken towards meeting the priority include: stress testing on reinsurance related risks, DSIB macro stress testing in conjunction with the Bank of Canada, examination of interconnections between regulated entities and the shadow banking sector, issuance of a draft Operational Risk Management guideline, cross-system review of compensation practices and monitoring of the progress of regulated entities with respect to the development of their cyber security programs.

Priority B: Enhancing Supervisory Processes

Description

In order to remain effective as a supervisor, OSFI must continue to evolve and enhance its own supervisory practices and training in response to changes in the economy and the financial system as well as to meet changing international standards.

Priority Type

Ongoing

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Program(s)
Support the implementation of updated supervisory methodology and processes with the right enabling technology.	April 2014	March 2019	On track	Sub-Programs 1.1.1 and 1.1.2
Ensure that the application of guidelines and methodology and the implementation of supervisory activities are risk-based and scaled to the size and complexity of institutions.	April 2014	Ongoing	On track	Sub-Program 1.1.2
Articulate OSFI's tolerance for the level of risk undertaken by financial institutions and how the allocation of regulatory and supervisory resources will be guided by that tolerance. OSFI's risk tolerance statement will consider both FRFIs' need to compete effectively and take reasonable risks as well as the	April 2015	March 2017	On track	Sub-Programs 1.1.1 and 1.1.2

effect that such institution(s) could have on public confidence in the Canadian financial system should they encounter financial difficulties (or failure).				

Progress Toward the Priority

Over the course of the year, OSFI embarked on a project to review its supervisory processes, tools and related technologies. Work continued to review the application of guidelines and methodology to ensure that OSFI's expectations remain risk-based and scaled to the size and complexity of financial institutions. Work was also initiated to develop a Risk Tolerance Framework to assist in prioritizing supervisory work and to provide guidance in allocating supervisory staff across the office as required.

Priority C: Completing the Post-Crisis Reform Agenda

Description

A number of reforms have been agreed to internationally in the wake of the global financial crisis. It is important that those reforms be understood by OSFI and, to the extent they enhance our domestic supervisory practices, be incorporated into the Canadian regulatory and supervisory frameworks.

Priority Type

Ongoing

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Program(s)
Banking Reforms:				
• Complete the implementation of banking regulatory reforms in a way that is tailored to the needs of the Canadian financial system.	April 2011	March 2018	On track (Basel III, role of capital models, large exposures guidance)	Sub-Program 1.1.2
• Deepen OSFI's understanding of asset encumbrance practices and clarify expectations on the extent to which banks can pledge assets or otherwise provide security to counterparties and creditors.	April 2015	September 2017	On track	Sub-Programs 1.1.1 and 1.1.2

• Complete work on cross-border prudential issues by setting expectations for solo capital and liquidity requirements; deepening formal relationships with relevant foreign regulators; and by setting supervisory expectations around gone-concern loss-absorbing capacity (GLAC).	April 2011 April 2015 April 2015	March 2017 December 2018 March 2018	On track (Solo capital requirements) On track (Liquidity requirements) On track (GLAC)	Sub-Programs 1.1.1 and 1.1.2
• Support Financial Institutions Supervisory Committee (FISC) partner agencies in establishing a sound resolution framework for major banks and insurance companies in Canada.	April 2010	March 2018	On track	Sub-Programs 1.1.1 and 1.1.2
• Review the business models, risk appetites and controls of major bank capital markets platforms and assess whether the size, scope and tail risks of these activities are consistent with the prudential view of each of the organizations as a whole.	January 2014	May 2015	Complete (Work is ongoing with respect to the review of business models)	Sub-Programs 1.1.1 and 1.1.2
Insurance Reforms:				
• Implement the suite of domestic reforms set out in the Life Insurance Regulatory Framework publication, as well as new property and casualty insurance (P&C) capital requirements.	April 2011	January 2018	On track (e.g. capital frameworks for life insurance and for P&C insurance.)	Sub-Program 1.1.2
• Actively participate in the development of global insurance capital standards. In addition, monitor the implementation of prudential insurance reforms in other	December 2014	December 2019	On track	Sub-Program 1.1.2

jurisdictions and consider appropriate Canadian responses.				
• Develop a separate capital guideline and update the methodology for determining capital requirements for private sector mortgage insurance companies.	April 2013	December 2018	On track	Sub-Program 1.1.2
Pensions Reforms:				
• Support the implementation of Pooled Registered Pension Plans (PRPP).	January 2013	TBD	On track	Sub-Program 1.2
Accounting, Auditing and Information Disclosure Reforms:				
• Work with FRFIs to implement changes in accounting standards and adjust OSFI prudential requirements, as appropriate.	April 2011	March 2018	On track	Sub-Program 1.1.2
• Ensure that major FRFIs continue to publicly disclose information on their financial condition and risk management practices to an extent and in a manner that supports financial stability.	April 2011	October 2017	On track	Sub-Program 1.1.2

Progress Toward the Priority

This priority spans several years. Over the course of the year, progress was made towards meeting the priority through a range of initiatives including the development of a more advanced, risk based capital approach for life insurers, a revised Minimum Capital Test for Federally Regulated Property and Casualty Insurance Companies, the issuance of a final guideline on Margin Requirements for Non-Centrally Cleared Derivatives, and the development of a new capital model for mortgage insurers. With respect to accounting, auditing and disclosure reforms, OSFI issued draft guidelines outlining the expectations for regulated entities regarding the application of IFRS[1] 9 *Financial Instruments and Disclosures* and for deposit-taking institutions regarding the revised Pillar 3 Disclosure Requirements. Significant consultation with the industry was undertaken to ensure that the reforms introduced were appropriate and effective.

[1] International Financial Reporting Standards

Priority D: Maintaining a High-Performing Workforce

Description

In a context of rapid change, focusing on effective change management, learning and development and efficient staffing practices will facilitate continued success in meeting OSFI's business goals.

Priority Type

Ongoing

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Program(s)
Ensuring regular and timely two-way communication with staff.	April 2015	Ongoing	On track (Numerous ongoing activities have been implemented [e.g., town halls, employee surveys])	Internal Services
Actively support employees in becoming more productive through better training and development and more effective knowledge transfer.	April 2015	March 2019	On track (Supervision Training Initiative)	Internal Services
Staff vacant positions more quickly.	April 2015	Ongoing	On track (Key performance indicators signal that staffing on a more timely basis is improving. Forecasting of time required to staff is occasionally exceeded and is being addressed.)	Internal Services
Continue to plan for, monitor and support the potential impact of organizational and systems changes to minimize operational disruption while maximizing return on investment.	April 2015	March 2016	Completed (Change management processes in place for major IT projects; Outcomes Management policy and process in place and being monitored and measured.)	Internal Services

Continue to enhance OSFI's ability to effectively deploy our resources and respond to change while demonstrating fiscal restraint.	April 2015	March 2016	Completed (Developed a new salary management approach to provide additional flexibility in managing resources within fiscal targets.)	Internal Services

Progress Toward the Priority
OSFI undertook a number of initiatives in 2015-16 to meet this priority. A review was conducted to determine whether OSFI has the framework, structures, and capacities required to be successful in a high change environment. OSFI also established its *Compass for Success*, consisting of five orientations to provide direction to OSFI employees in the coming years. Updates to the intranet were completed in 2015-16 to ensure that all employees were kept informed on the latest internal initiatives and regulatory activities being implemented externally. Webcast town halls were introduced to simultaneously communicate with all OSFI staff and to enhance communications across OSFI offices. Work was also conducted on the development of a modular training program to establish core and specialized learning for OSFI employees. As well, OSFI pursued the implementation of a structured approach to managing IT investment outcomes with a focus on accountability and benefits for OSFI.

Priority E: Enhancing OSFI's Corporate Infrastructure

Description

Continuous strengthening of internal systems, processes, and controls will enable OSFI to work more effectively and efficiently.

Priority Type

Ongoing

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Program(s)
Develop and implement a new Information Technology strategy to prepare OSFI to adopt proven technologies to support planned business needs.	April 2016	June 2016	Deferred (Deferral related to the pending release of the new Government of Canada information technology strategy standards and requirements.)	Internal Services
Complete implementation of enterprise-wide information and data management frameworks to facilitate	April 2015	March 2016	Completed (Information Management Access to	Internal Services

informed decision making and efficiently manage OSFI corporate records.			Information and Privacy Awareness in place)	
	April 2015	March 2020	On track (Establishment of Enterprise Information Management [EIM] Program)	
Define the workplace of the future (physical space, systems, etc.) to enhance efficiencies and effectiveness and develop a plan for achieving this as OSFI enters into new office leases.	April 2015	n/a	Cancelled (A decision was made to stay primarily in existing office locations and there was no capacity to undertake a significant workplace upgrade project.)	Internal Services

Progress Toward the Priority
Over the course of the fiscal year, significant efforts were initiated towards the achievement of the priority. They include the migration to OSFI's new electronic document and records management system and the development and implementation of enterprise information management policy instruments and guidance to better enable OSFI employees to utilize and share information. A new cyber security strategy and action plan was also developed in 2015-16. While a significant portion of the workplace upgrade project was cancelled, it was decided, based on the review of physical space requirements, to move forward with the relocation of the Montreal office to slightly larger accommodations in 2016-17.

For more information on organizational priorities, see the Minister's mandate letter[2] on the Prime Minister of Canada's website.[ii]

[2] Note that OSFI is an agency of the Government of Canada and reports to Parliament through the Minister of Finance. The Minister's mandate letter focuses on priorities within the Finance portfolio and does not directly link to OSFI's priorities.

Section II: Expenditure Overview

Actual Expenditures

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use[3]	2015–16 Actual Spending (authorities used)[4]	Difference (actual minus planned)
147,934,112	147,934,112	214,680,883	144,218,577	(3,715,535)

Human Resources (Full-Time Equivalents [FTEs])

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
718	666	(52)

[3] The difference between Total Authorities Available for Use and Planned Spending represents an available statutory contingency, duly reported in Public Accounts, which is not part of planned spending.

[4] The majority of OSFI's expenditures are recovered via respendable revenue. In order to provide an accurate representation of OSFI's spending, amounts shown reflect gross expenditures.

Budgetary Performance Summary

Budgetary Performance Summary for Program(s) and Internal Services (dollars)

Strategic Outcome(s), Program(s) and Internal Services	2015–16 Main Estimates	2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2014–15 Actual Spending (authorities used)	2013–14 Actual Spending (authorities used)
Regulation and Supervision of Federally Regulated Financial Institutions	78,956,478	78,956,478	80,602,151	82,220,312	78,956,478	76,831,313	79,674,770	75,599,505
Regulation and Supervision of Federally Regulated Private Pension Plans	4,105,818	4,105,818	4,178,274	4,259,335	4,105,818	3,984,053	3,944,690	4,342,314
Subtotal	83,062,296	83,062,296	84,780,425	86,479,647	83,062,296	80,815,366	83,619,460	79,941,819
Actuarial Valuation and Advisory Services	6,130,074	6,130,074	5,710,390	5,778,758	6,130,074	5,443,559	5,092,171	5,209,861
Subtotal	6,130,074	6,130,074	5,710,390	5,778,758	6,130,074	5,443,559	5,092,171	5,209,861
Internal Services Subtotal	58,741,742	58,741,742	59,213,140	58,249,273	58,741,742	57,959,652	57,597,243	65,650,453
Total	147,934,112	147,934,112	149,703,955	150,507,678	147,934,112	144,218,577	146,308,874	150,802,133

OSFI's 2015-16 actual expenditures were $3.7 million or 2.5% lower than planned due to a higher number of vacant positions and longer periods than anticipated to staff them. OSFI's total expenditures[5] in the next two years are expected to remain relatively stable, increasing slightly for normal economic and merit adjustments in accordance with collective agreements.

Fluctuations between 2013-14 and 2017-18 are largely due to non-recurring costs. At the program level, the significant changes are as follows:

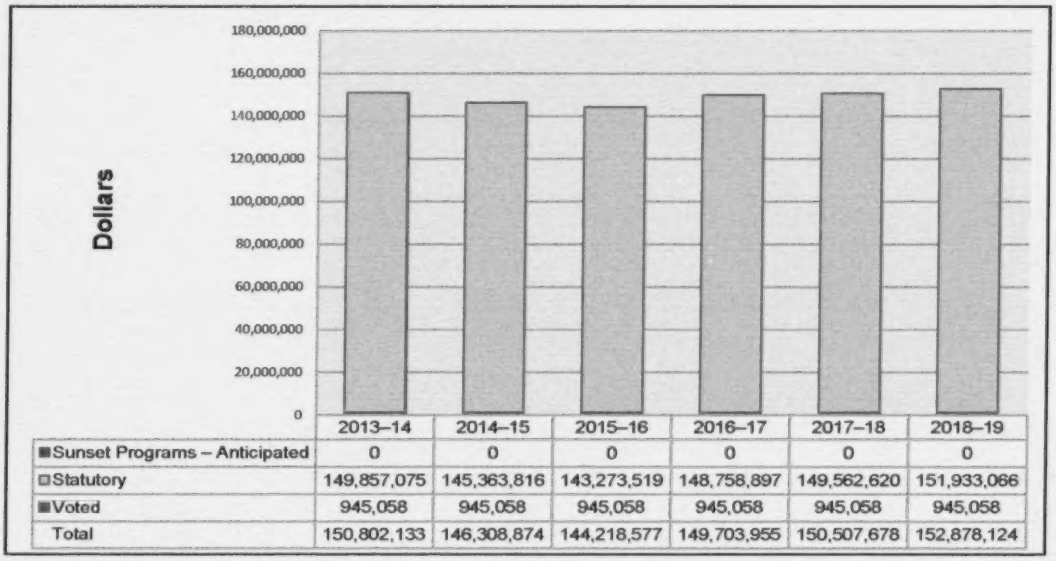
- Year-over-year spending in the Regulation and Supervision of Federally Regulated Financial Institutions program decreased by 3.6% in 2015-16, largely due to a greater number of vacant positions and a one-time payment related to the Government of Canada's move to an employee compensation model of "pay in arrears" that occurred in 2014-15. Spending in this program is expected to increase by 4.9% in 2016-17 as vacant positions are staffed.
- Spending in the Regulation and Supervision of Federally Regulated Private Pension Plans program decreased by 9.2% in 2014-15 due to vacant positions and legal fees incurred in 2013-14. Staffing levels are expected to return to full complement in 2016-17.
- Spending in the Actuarial Valuation and Advisory Services decreased by 2.3% in 2014-15 due to the triennial Canada Pension Plan peer review that occurred in 2013-14. Spending in 2015-16 increased by 6.9% with the filling of approved vacant positions and

[5] The cost of new enabling technology to support OSFI's updated supervisory methodology and processes has not yet been determined and will be reflected in future budgetary estimates.

new positions to address incremental work related to actuarial valuations. Expenditures in 2016-17 include costs for the triennial Canada Pension Plan review.

- Spending in Internal Services decreased by 12.3% in 2014-15 as a result of non-recurring costs in 2013-14 related to the curtailment of severance benefit plans for unionized employees, investments in OSFI's Information and Technology Renewal Program, which was completed in 2014-15, and the settlement of a pay equity claim dating from 1987 to 1997 that was previously provisioned for but paid out in 2013-14. The reduction of 1.6% in 2017-18 relates to lower than planned spending on facilities and information technology initiatives[6].

Departmental Spending Trend



	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19
Sunset Programs – Anticipated	0	0	0	0	0	0
Statutory	149,857,075	145,363,816	143,273,519	148,758,897	149,562,620	151,933,066
Voted	945,058	945,058	945,058	945,058	945,058	945,058
Total	150,802,133	146,308,874	144,218,577	149,703,955	150,507,678	152,878,124

The graph above represents OSFI's actual and planned spending from 2013-14 to 2018-19. Statutory expenditures, which are recovered from respendable revenue[7], represent 99.4% of total expenditures. The remaining 0.6% of OSFI's spending is funded from a Parliamentary appropriation for actuarial services related to federal public sector pension and benefit plans.

Expenditures by Vote

For information on OSFI's organizational voted and statutory expenditures, consult the *Public Accounts of Canada 2016.* [iii]

[6] As noted for total expenditures above, the cost of new enabling technology to support OSFI's updated supervisory methodology and processes has not yet been determined and will be reflected in future budgetary estimates.

[7] OSFI is funded mainly through asset-based, premium-based or membership-based assessments on the financial institutions and private pension plans that OSFI regulates and supervises, cost-recovered services, and a user-pay program for selected services.

Alignment of Spending With the Whole-of-Government Framework

Alignment of 2015–16 Actual Spending With the Whole-of-Government Framework[iv] (dollars)

Program	Spending Area	Government of Canada Outcome	2015–16 Actual Spending
1.1 Regulation and Supervision of Federally Regulated Financial Institutions	Economic Affairs	Strong economic growth	76,831,313
1.2 Regulation and Supervision of Federally Regulated Private Pension Plans	Economic Affairs	Income security and employment for Canadians	3,984,053
2.1 Actuarial Valuation and Advisory Services	Economic Affairs	Income security and employment for Canadians	5,443,559

Total Spending by Spending Area (dollars)

Spending Area	Total Planned Spending	Total Actual Spending
Economic Affairs	89,192,370	86,258,925
Social Affairs	0	0
International Affairs	0	0
Government Affairs	0	0

Financial Statements and Financial Statements Highlights

Financial Statements

The financial statements are included in the 2015-16 Annual Report available on OSFI's website[v].

Financial Statements Highlights

Over the course of 2015-16, OSFI continued to operate on a full accrual accounting basis, in accordance with International Financial Reporting Standards.

The tables below provide highlights from OSFI's *Statement of Operations* and *Statement of Financial Position*, as presented in its audited financial statements. As such, there are differences between these tables and those presented in other sections of the Departmental Performance Report, which are prepared on the appropriation (i.e., modified cash) basis of accounting, in accordance with the *Guide to the Preparation of Part III of the 2015-16 Estimates*. Typically the differences stem from the accounting treatment of capital expenditures and accounts receivable.

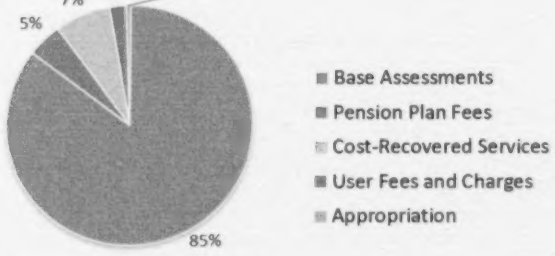
Condensed Statement of Operations (unaudited) For the Year Ended March 31, 2016 (dollars)

Financial Information	2015–16 Planned Results	2015-16 Actual	2014–15 Actual	Difference (2015–16 actual minus 2015–16 planned)	Difference (2015–16 actual minus 2014–15 actual)
Total expenses	150,000,000	143,534,744	144,810,235	(6,465,256)	(1,275,491)
Total revenues	149,054,942	142,589,686	143,865,177	(6,465,256)	(1,275,491)
Net cost of operations before government funding and transfers	(945,058)	(945,058)	(945,058)	0	0

OSFI's Future-Oriented Statement of Operations is available on OSFI's website[vi].

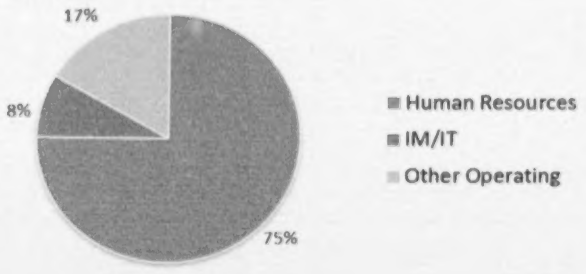
OSFI is funded mainly through asset-based, premium-based or membership-based assessments on the financial institutions and private pension plans that it regulates and supervises, and a user-pay program for selected services. OSFI also receives revenues for cost-recovered services and a small parliamentary appropriation for actuarial services relating to public sector employee pension and insurance plans. Overall, on an accrual basis of accounting, OSFI recovered all its expenses for the year.

Revenue by Type



Total expenses were $143.6 million, a $1.3 million or 0.9% decrease from the previous year, and $6.5 million lower than planned. The year-over-year decrease was primarily attributable to lower professional services costs due to the completion in 2014-15 of OSFI's Information and Technology Renewal Program. These were partially offset by an increase in office rental costs as a result of additional space to accommodate the previous year's growth in staff and normal annual escalation of existing lease rates.

Expenses by Type

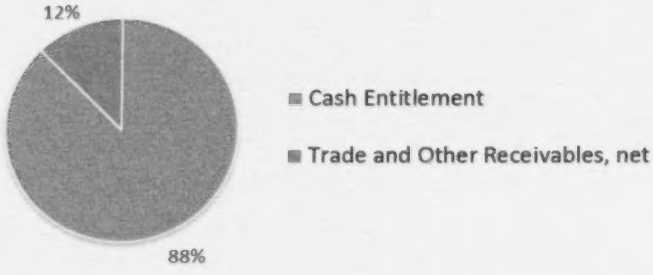


Condensed Statement of Financial Position (unaudited)
As at March 31, 2016 (dollars)

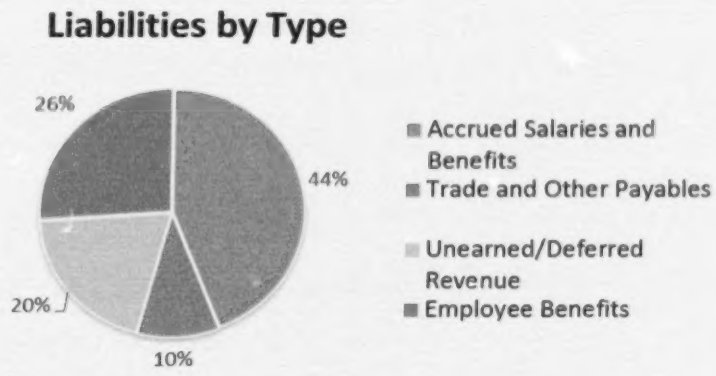
Financial Information	2015–16	2014–15	Difference (2015–16 minus 2014–15)
Total net liabilities	45,986,000	46,683,000	(697,000)
Total net financial assets	50,974,000	51,752,000	(778,000)
Departmental net debt	4,988,000	5,069,000	(81,000)
Total non-financial assets	20,000,000	19,919,000	81,000
Departmental net financial position	24,988,000	24,988,000	0

Total net financial assets at the end of 2015-16 were $51.0 million, a decrease of $0.8 million from the previous year. A decrease in trade and other receivables, driven by lower user fees and charges related to financial institutions assigned a stage rating, was partly offset by an increase in the Cash Entitlement account, which represents the amount that OSFI is entitled to withdraw from the Consolidated Revenue Fund without further authority.

Financial Assets by Type



Total net liabilities were $46.0 million at the end of 2015-16, which was $0.7 million lower than the previous year. The reduction was driven by a decrease in unearned base assessments, which represent the difference between billed estimates and actual costs incurred for the year, and a decrease in the severance liability as a result of payments to eligible departing employees. These were partly offset by an increase in accrued salaries and benefits, mainly for the estimated economic adjustments for fiscal year 2015-2016 that are expected to become payable once new collective agreements for that year are reached with OSFI's two unions.



Section III: Analysis of Programs and Internal Services

Programs

Program 1.1: Regulation and Supervision of Federally Regulated Financial Institutions

Description

This program involves regulating and supervising federally regulated financial institutions (FRFIs) to determine whether they are in sound financial condition and are complying with their governing laws and supervisory requirements; monitoring the financial and economic environment to identify issues that may impact these institutions negatively; and intervening in a timely manner to protect depositors and policyholders from undue loss, while recognizing that management and boards of directors are ultimately responsible, and that financial institutions can fail.

Costs for this program are recovered through base assessments and user fees and charges paid by the federally regulated financial institutions covered under the Bank Act, Trust and Loan Companies Act, Insurance Companies Act, Green Shield Canada Act, Protection of Residential Mortgage or Hypothecary Insurance Act and Cooperative Credit Associations Act. The Office of the Superintendent of Financial Institutions also receives revenues for cost-recovered services to provinces, for which it provides supervision of their institutions on a fee for service basis.

Program Performance Analysis and Lessons learned

In 2015-16, high levels of domestic household indebtedness, sustained low interest rates, low and volatile oil prices and ongoing global financial uncertainty continued to be seen as sources of potential systemic vulnerability. OSFI took action to address the possible impact of these challenges and achieve its strategic priorities by communicating its expectations for risk management to FRFIs and conducting significant reviews in several areas, including corporate and commercial lending, retail lending, outsourcing, risk management, and compliance. The office continued to develop supporting guidance for OSFI's Supervisory Framework and initiated a review of supervisory processes and tools.

The Regulation and Supervision of Federally Regulated Financial Institutions program and its sub-programs met all performance targets. This, in combination with strong industry opinions from 2014 that OSFI is effective in monitoring and supervising FRFIs (Source: 2014 Financial Institutions Survey[vii]), shows progress toward the *Strategic Outcome 1: A safe and sound Canadian financial system*.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
78,956,478	78,956,478	78,956,478	76,831,313	(2,125,165)

Human Resources (FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
452	418	(34)

Performance Results[8] [viii]

Expected Results	Performance Indicators	Targets	Actual Results
Protect depositors and policy holders while recognizing that all failures cannot be prevented.	Percentage of estimated recoveries on failed institutions (amount recovered per dollar of claim).	90%	100%[9]
	Percentage of institutions with a Composite Risk Rating of low or moderate.	80%	94%
OSFI's regulatory and supervisory framework is consistent with international standards.	OSFI's regulatory and supervisory framework is deemed consistent with international standards.	100%	100% Three key international assessments of Canada's regulatory and/or supervisory frameworks were completed during 2014-15, each resulted in an overall "compliant" rating: • March 2014 International Monetary Fund (IMF) Financial Sector Assessment Program (FSAP) - Basel Core Principles for Effective Banking Supervision[ix] • March 2014 IMF FSAP - for Insurance Core Principles[x] • June 2014 Basel Committee on Banking Supervision Regulatory Consistency Assessment Programme[xi]

[8] See OSFI's Methodology for Key Performance Indicators.

[9] This measure is a proxy for whether OSFI intervened early enough to protect depositors and/or policyholders. Estimated recovery is the amount on the dollar per claim each policyholder or depositor would receive upon the completion of the liquidation. Expectation ≥ $0.90. The measure is provided annually, based on the updates on the estimated recoveries received from the agent or liquidator. Liquidation may span several years (e.g. life insurance) and affect a number of annual updates to the estimated recovery. As such, an annual update is made to the actual result for this indicator, regardless of whether any FRFI's failed that year or not.

Sub-Program 1.1.1: Risk Assessment and Intervention

Description

OSFI regulates and supervises financial institutions to determine whether they are in sound financial condition and are complying with their governing statute law and supervisory requirements. This program involves the administration and application of an effective supervisory process to assess the safety and soundness of regulated financial institutions by evaluating an institution's risk profile, financial condition, risk management processes, and compliance with applicable laws and regulations. This program includes activities to monitor and supervise financial institutions; monitor the financial and economic environment to identify emerging issues; and intervene on a timely basis when a financial institution's business practices may be imprudent or unsafe, by exercising supervisory powers to take, or require management or boards to take, necessary corrective measures to protect depositors and policy holders.

Performance Analysis and Lessons Learned

The Composite Risk Rating (CRR) represents OSFI's overall assessment of an institution's safety and soundness. There are four possible risk ratings: "low", "moderate", "above average" and "high". The CRR is reported to most institutions[10] at least once a year (certain inactive or voluntary wind-up institutions may not be rated). The Supervisory Information Regulations for both banks and insurance companies prohibit institutions (or OSFI) from publicly disclosing their rating. As at the end of March 2016, OSFI had assigned CRR ratings of low or moderate to 94% and above average or high to 6% of all CRR-rated institutions.

Financial institutions are also assigned an intervention (stage) rating, as described in OSFI's guides to intervention for FRFIs, which determines the degree of supervisory attention they receive. Broadly, these ratings are categorized as: normal (stage 0); early warning (stage 1); risk to financial viability or solvency (stage 2); future financial viability in serious doubt (stage 3); and non-viable/insolvency imminent (stage 4). As at March 31, 2016, there were 24 staged institutions, most falling in the early warning (stage 1) category.

In 2015-16, the Risk Assessment and Intervention sub-program focused on the following activities:

- Pursued the review of its supervisory methodology and processes and developed the requirements for a technology solution in support of supervisory activities.
- Continued to meet with banks independently and collectively at the Canadian Bankers Association level to discuss progress and to reiterate OSFI's expectations to meet specified completion timelines with respect to risk data aggregation and risk reporting.
- Completed compensation cross-system reviews at the DSIBs, continued to monitor their development and operationalization of Risk Appetite Frameworks, and developed plans to commence pilot work related to risk culture in 2016-17.
- Formalized the draft Operational Risk Management Guideline which clarifies OSFI's expectations for FRFIs' operational risk management.

[10] Certain inactive or voluntary wind-up institutions may not be rated.

- Actively monitored regulated entities' progress in the development of their cyber security programs and established formal and timely reporting on major DSIB cyber security incidents. OSFI also continued to monitor federal cyber security legislation developments to ensure coordination with OSFI's activities in this area.
- Continued to develop an OSFI Risk Tolerance Framework to help prioritize and scale supervisory work.
- Undertook a macro stress testing exercise with DSIBs to project the impacts of a severe but plausible scenario and gather insights into the banking system's resilience.
- With the view of maintaining a highly knowledgeable supervisors' complement, the office hosted supervisory colleges for three of Canada's five largest banks. It also pursued the Supervision Training Initiative aimed at ensuring that fundamental supervision skills are learned and maintained.

Budgetary Financial Resources (dollars)

2015–16 Planned Spending	2015–16 Actual Spending	2015–16 Difference (actual minus planned)
53,698,903	55,177,551	1,478,648

Human Resources (FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
328	302	(26)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Issues in institutions are identified and acted on at an early stage.	Percentage of supervisory rating increases that are two or more levels within any rolling three month period.	20%	0%[11]
	Percentage of supervisory letters that are issued within established standards.	80%	90%

[11] Any supervisory rating increases that are two or more levels within a rolling three month period may indicate that risk assessment and/or intervention activities were not timely. As such, a result of 0% exceeds the target (i.e., tolerance) of 20%.

Sub-Program 1.1.2: Regulation and Guidance

Description

This program involves advancing and administering a regulatory framework of rules and guidance that promotes the adoption by regulated financial institutions of sound risk management practices, policies and procedures designed to plan, direct and control the impact on the institution of risks arising from its operations.

This program includes the issuance of various forms of guidance, which may include guidelines and advisories as well as input into federal legislation and regulations affecting financial institutions; contributions to accounting, auditing and actuarial standards; and involvement in a number of international regulatory activities.

Performance Analysis and Lessons Learned

OSFI provides a regulatory framework of guidance and rules that assist federally regulated financial institutions in mitigating risks inherent to their activities. The framework is appropriately adapted to the Canadian environment, often aligning with international standards where equivalent guidance exists. In addition to issuing guidance, OSFI provides input into the development of federal legislation and regulations affecting FRFIs and comments on accounting, auditing and actuarial standards development, which includes determining how to incorporate them into the regulatory framework governing FRFIs. OSFI also participates in a number of international and domestic rule-making activities.

The following represents a list of key regulatory guidance issued and policy development undertaken during 2015-16.

Capital related guidelines, advisories and policy work:

- Capital requirements for loans secured by residential real estate – requirements were developed over the year, with the draft proposal issued in April 2016.
- *Life Insurance Capital Adequacy Test* (draft issued in March 2016) – capital standards for life insurers to be in force as of January 2018.
- *Minimum Continuing Capital and Surplus Requirements* and *Minimum Capital Test* - both guidelines received technical updates.
- Company-specific models for determining capital requirements for property and casualty insurance companies - the Property and Casualty Minimum Capital Test Advisory Committee continued development of a models based framework.
- Capital requirements for residential mortgage insurance risk - in consultation with mortgage insurers, work progressed on the development of a new regime to be implemented in 2017.
- OSFI contributed to the development of a statutory bail-in regime which will apply to Canada's six DSIBs. The amendments, which became law on June 22, 2016, will be supported by forthcoming regulations and regulatory guidance.
- Work progressed on the development of a stand-alone capital framework.

Accounting/Disclosure related guidelines, advisories and policy work:

- Pillar 3 Disclosure Requirements – a draft guideline was issued to clarify the domestic implementation of the Revised Basel Pillar 3 standards for Canadian DSIBs and for non-DSIBs.

- IFRS 9 Financial Instruments and Disclosures – a draft guideline was issued that outlines OSFI's expectations regarding the domestic implementation of IFRS 9 *Financial Instruments*.

Sound Business Practice related guidelines, advisories and policy work:

- Operational Risk Management – a draft guideline was issued that establishes OSFI's expectations for operational risk management using a principles-based approach.
- Margin Requirements for Non-Centrally Cleared Derivatives – the guideline establishes minimum standards for the exchange of margin to secure performance on non-centrally cleared derivative transactions undertaken by covered entities.

Budgetary Financial Resources (dollars)

2015–16 Planned Spending	2015–16 Actual Spending	2015–16 Difference (actual minus planned)
20,579,977	14,837,533	(5,742,444)

Human Resources (FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
93	87	(6)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Timely response to market changes and/or industry suggestions that guidance need updating.	Percentage of industry stakeholders who rate OSFI as good or very good at responding in a timely manner to market changes or to industry suggestions that guidance need updating.	75%	77% (*Source: 2014 Financial Institutions Survey (FIS)*)
Guidance effectively communicates OSFI's expectations.	Percentage of industry stakeholders that rate OSFI's guidance as somewhat or very effectively indicating OSFI's expectations.	75%	85% (*Source: 2014 FIS*)
Industry is consulted on the development of guidance.	Percentage of industry stakeholders that rate OSFI as good or very good at consulting with industry on the development of guidance.	70%	79% (*Source: 2014 FIS*)

Sub-Program 1.1.3: Approvals and Precedents

Description

Federally regulated financial institutions are required to seek regulatory approval for certain types of transactions. This program involves evaluating and processing applications for regulatory consent; establishing positions on the interpretation and application of the federal financial institutions' legislation, regulations and guidance; identifying precedential transactions that may raise policy or precedent-setting issues; and developing recommendations that recognize the need to allow institutions to compete effectively and take reasonable risk.

Performance Analysis and Lessons Learned

OSFI administers a regulatory approval process that is prudentially effective, responsive and transparent.

The soundness of the process is supported by performance results showing that a vast majority of knowledgeable observers understand the basis upon which OSFI makes its decisions. OSFI also has performance standards establishing timeframes for processing applications for regulatory approval and for other services, all of which were surpassed during 2015-16. More information on service performance standards[xii] can be found on OSFI's website.

In 2015-2016, OSFI processed 210 applications of which 196 were approved. Individual applications often contain multiple approval requests. The 196 approved applications involved a total of 434 approvals, 282 of which were granted by the Superintendent and 152 by the Minister. The number of applications decreased relative to last year, when 200 applications were approved. The majority of approved applications for 2015-2016 related to property and casualty insurers (45%) and banks (35%).

In keeping with the objective of enhancing the transparency of OSFI's legislative approval process and promoting a better understanding of the interpretation of the federal financial institution statutes, OSFI develops and publishes legislative guidance including advisories, rulings, and transaction instructions. In 2015-2016, OSFI issued the following guidance documents:

- Ruling 2015-01 – Demutualization – Property and Casualty Companies – Eligible Policyholders
- Guide for the Demutualization of Mutual Property and Casualty Insurance Companies with Non-mutual Policyholders

During 2015-16, OSFI made recommendations that resulted in the Minister of Finance's approval of eleven new federally regulated financial institutions, including six under the *Bank Act* and five under the *Insurance Companies Act*. In addition, OSFI worked on an application to continue a provincial credit union as the first Federal Credit Union[12]. OSFI also developed a Federal Credit Union Continuance Guide that is expected to be published in Q2 2016-17, to

[12] Received approval of the Minister of Finance on July 1, 2016.

provide guidance for provincial credit unions that are interested in transitioning to federal regulation.

Budgetary Financial Resources (dollars)

2015–16 Planned Spending	2015–16 Actual Spending	2015–16 Difference (actual minus planned)
4,677,598	6,816,229	2,138,631

Human Resources (FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
31	29	(2)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Provide transparent and timely decisions on regulatory approvals.	Percentage of industry stakeholders that understand somewhat or very well the basis upon which OSFI makes its decisions as part of the approval process.	85%	88% (*Source: 2014 FIS)*
	Percentage of completed applications for regulatory approvals that are processed within established standards.	90%	98%

Program 1.2: Regulation and Supervision of Federally Regulated Private Pension Plans

Description

This program involves regulating and supervising federally regulated private pension plans to determine whether they are meeting minimum funding requirements and are complying with their governing laws and supervisory requirements. This program provides risk assessments of pension plans covering employees in federally regulated areas of employment. It ensures timely and effective intervention and feedback to protect the interests of plan members and beneficiaries, while recognizing that plan administrators are ultimately responsible and that plans can fail to pay the expected benefits. This program also provides a balanced relevant regulatory framework and a prudentially effective and responsive approvals process.

This program incorporates activities pertaining to risk assessment and intervention, regulation and guidance, and approvals and precedents related to federally regulated private pension plans under the Pension Benefits Standards Act, 1985 and the Pooled Registered Pension Plans Act. The costs for this program are recovered from pension plan fees based on the number of members in each federally regulated pension plan.

Performance Analysis and Lessons Learned

Employers and plan administrators continue to look at ways to reduce the risks of operating their defined benefit (DB) pension plans in the face of recurring market volatility, declining long-term interest rates, and improvements in life expectancy. Evidence includes the highest ever value of group annuity purchases in Canada in 2015 and the completion of the first Canadian longevity insurance deal which transferred longevity risk from a pension plan to a life insurer.

In addition to the ongoing trend away from DB to defined contribution (DC) pension plans, a regulatory framework was recently established for Pooled Registered Pension Plans (PRPPs). DC plans, including PRPPs, were an important focus of OSFI's efforts in 2015-16.

OSFI conducted a study of DC plans as part of its review of supervisory approaches applicable to such plans. Based on the results, OSFI is considering whether to increase the information it collects from DC plans to better monitor the quality of plan governance, particularly related to member communications and investments.

Regarding PRPPs, OSFI worked to prepare PRPP guidance for members and administrators. A PRPP Member Guide is being developed that describes members' rights and interests; the Member Guide is expected to be published in 2016-17, along with guides covering PRPP licensing and registration.

OSFI is also developing supervisory approaches for PRPPs in anticipation of their possible future growth that could result from the Multilateral Agreement between the federal government and provinces with similar legislation, once it is concluded. This work included: revising the Annual Information Return, updating procedures related to OSFI interventions to include PRPPs as well as making required systems changes.

Highlights of other activities completed by OSFI to support and strengthen the regulation and supervision of federally Registered Private Pension Plans in 2015-16 include:

- Issuing revised guidance, including a Member Guide and DB and DC Termination Guides, as well as a revised Actuarial Guide.
- Posting two "webinars" to explain changes to regulations and assist with the filing of pension plan returns in the new Regulatory Reporting System.
- Hosting an in-person pension forum to meet and communicate with pension stakeholders on PPPD's key activities, legislative requirements, and expectations regarding pension supervision and actuarial practices.
- Supporting the Department of Finance in finalizing the Multilateral Agreement for PRPPs and various legislative proposals.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
4,105,818	4,105,818	4,105,818	3,984,053	(121,765)

Human Resources (FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
28	26	(2)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Issues in plans are identified and acted on at an early stage.	Percentage of stage rating increases that are two or more levels within any rolling three month period.	20%	6%[13]
OSFI is perceived as being effective in monitoring and supervising pension plans.	Percentage of industry stakeholders that rate OSFI as "somewhat effective" or "very effective" in monitoring and supervising their pension plan(s).	75%	81% (*Source:* 2014 Pension Plans Survey[xiii] (PPS))

[13] Any stage rating increases that are two or more levels within a rolling three month period may indicate that risk assessment and/or intervention activities were not timely. As such, a result of 6% exceeds the target (i.e., tolerance) of 20%.

Guidance effectively communicates OSFI's expectations.	Percentage of industry stakeholders that rate OSFI Guidance as "somewhat effective" or "very effective" in providing an indication of OSFI's expectations.	75%	78% (*Source: 2014 PPS*)

Program 2.1: Actuarial Valuation and Advisory Services

Description

The federal government and the provinces, through the Canada Pension Plan (CPP), public sector pension arrangements and other social programs have made commitments to Canadians and have taken on emanated responsibility for the financing of these commitments. Some are long-term and it is important that decision-makers, Parliamentarians and the public understand these and the inherent risks. This program plays a vital and independent role in this process. It provides checks and balances on the future costs of the different pension plans under its responsibilities.

This program provides a range of actuarial services, under legislation, to the CPP stakeholders and several federal government departments. It conducts statutory actuarial valuations of the CPP, Old Age Security (OAS), Employment Insurance (EI) and Canada Student Loans programs, and pension and benefits plans covering the Federal Public Service, the Canadian Forces, the Royal Canadian Mounted Police (RCMP), federally appointed judges, and Members of Parliament.

The Office of the Chief Actuary (OCA) is funded by fees charged for its actuarial valuation and advisory services and by an annual parliamentary appropriation.

Performance Analysis and Lessons Learned

In 2015-16, the OCA continued to provide independent, accurate, high quality and timely actuarial reports, professional actuarial services and advice. This claim is supported by a third party assessment of the OCA's expertise and its compliance with professional standards. With the view of maintaining high quality services, and as recommended by the CPP independent peer review panel, the OCA continued to maintain its programs of research on subjects relevant to the preparation of future actuarial reports.

The OCA submission to the International Social Security Association regional good practice competition for the Americas "Actuarial Assumptions Development – deepening the expertise and enhancing the independence of the Chief Actuary" has been awarded the Certificate of Merit by the international jury. It stated that considering a wide range of opinions, being open and transparent, and maintaining internal and external controls allow the Chief Actuary to fulfill his or her mandate in a professional and independent manner.

In the current environment of uncertain economic growth, the question of properly reflecting the impacts of social security programs on the sustainability of public finances is closely examined by governments and major international organizations. Drawing on its involvement in determining assets and liabilities of the CPP for the purpose of the Public Accounts of Canada, the OCA contributed extensively to this discussion. The position of the OCA is that in order to provide a comprehensive and objective picture, future developments (including evolution of future contributors and beneficiaries of a social security program) should be taken into account in both assessing the long-term sustainability and in compiling a balance sheet.

In 2015-2016, the OCA published two mortality studies that address mortality assumptions: Actuarial study No. 15 *Pension Plan for the Royal Canadian Mounted Police Mortality Study*

and Actuarial study No. 16 *Canada Pension Plan Retirement, Survivor and Disability Beneficiaries Mortality Study*.

The Office of the Auditor General (OAG) also informed the OCA in 2015-16 that it would be using, as independent evidence, work that the OCA performed for the Public Accounts of Canada 2014-15 tabled in the House of Commons on December 7, 2015.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
6,130,074	6,130,074	6,130,074	5,443,559	(686,515)

Human Resources (FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
37	33	(4)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Stewards of Canada's public retirement income system receive accurate, high quality and timely professional actuarial services and advice.	Attestation of a panel of three Canadian peer actuaries selected by an international independent body that the OCA provides accurate, high quality and professional services and advice.	100% agreement among all three members of peer review panel	N/A for 2015-16[14]
	Use of the OCA's work by the Office of the Auditor General (OAG) as an independent evidence for Public Accounts Canada.	Confirmation from the OAG	Confirmation of the use of OCA's work as independent evidence for Public Accounts of Canada received from the OAG.
	Reports are provided to the Minister for tabling in Parliament as per statutory deadlines.	100%	100%

[14] Next peer review findings expected to be published in 2017-18.

Sub-Program 2.1.1: Services to the Canada Pension Plan and Old Age Security Program

Description

This program involves the preparation of statutory actuarial valuations and providing expert actuarial advice and services on the Canada Pension Plan (CPP) and Old Age Security (OAS) Program. These valuations estimate the financial status of these plans and programs as required by legislation. This program estimates long-term expenditures, revenues and current liabilities of the Canada Pension Plan and estimates long-term future expenditures for Old Age Security programs. Pursuant to the Canada Pension Plan and the Public Pensions Reporting Act, the Office of the Chief Actuary prepares statutory triennial actuarial reports on the financial status of these programs, as required by legislation.

Performance Analysis and Lessons Learned

In 2015-16, the OCA continued to provide high quality services under its Canada Pension Plan and Old Age Security Program sub-program, as demonstrated by performance results.

At their meeting on December 21, 2015, the Federal and Provincial Ministers of Finance concluded the 2013-2015 review of the CPP. The Ministers have announced that, based on the estimates presented in the 26th Actuarial Report on the Canada Pension Plan as at December 31, 2012 prepared by the OCA, the current legislated contribution rate of 9.9% is expected to be sufficient to sustain the Plan over the foreseeable future. As a result, no changes to either benefits or contributions rates were recommended.

The statutory 2016-2018 CPP review started in January 2016. Since the triennial statutory actuarial report on the CPP is one of the key inputs to this review, the OCA commenced its work on the 27th Actuarial Report on the Canada Pension Plan as at December 31, 2015. Part of the work involved in producing this report includes addressing and implementing recommendations resulting from the most recent peer review report published in May 2014.

Further to that, the OCA held its triennial inter-disciplinary Canada Pension Plan Seminar in September 2015, titled "Seminar on Demographic, Economic and Investment Perspectives for Canada Years 2015 to 2050". The main objective of this recurring CPP seminar is to consult with experts from various organizations representing multiple fields, and federal and provincial governments before setting the assumptions to be used in the CPP actuarial reports. It is important, when developing demographic and economic assumptions, to keep a long-term view and not be unduly swayed by short-term trends. However, the final assumptions must also take into account the short- and medium-term trends so as to properly project the financial status of the CPP over the next few years.

Budgetary Financial Resources (dollars)

2015–16 Planned Spending	2015–16 Actual Spending	2015–16 Difference (actual minus planned)
2,370,284	1,717,458	(652,826)

Human Resources (FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
13	12	(1)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Provide accurate, high quality and timely actuarial valuations informing CPP and OAS stakeholders and Canadians of the current and projected financial status of the Plan and Program.	CPP actuarial valuations are deemed accurate and high quality	100%	N/A for 2015-16[15]
	Percentage of recommendations from the previous peer review report and within the scope and influence of the OCA that are implemented before the next peer review.	80%	As at March 31, 2016, out of eight recommendations, the OCA decided not to implement two . Two recommendations were implemented and the remaining four are in progress and should be completed with the release of the 27th CPP Actuarial Report in 2016-17.
	Reports on CPP and OAS are provided to the Minister for tabling in Parliament as per statutory deadlines.	100%	N/A for 2015-16 – next statutory deadline for CPP is in 2016-17.

Sub-Program 2.1.2: Services to Public Sector Pension and Insurance Programs

Description

This program involves the preparation of statutory actuarial valuations of various federal public sector employee pension and insurance plans. These valuations estimate the financial status of these plans as required by legislation. Pursuant to the Public Pensions Reporting Act, this program involves preparing statutory triennial actuarial reports on the financial status of federal public sector employee pension and insurance plans covering the federal Public Service, the Canadian Forces, the Royal Canadian Mounted Police, the federally appointed judges and Members of Parliament. This program provides actuarial information to decision makers, parliamentarians and the public, thereby increasing transparency and confidence in Canada's retirement income system. It serves the public interest by ensuring good governance of the plans, appropriate disclosure in the actuarial reports and contributing to the overall accountability of the plans sponsor to various stakeholders. This program also involves the provision of sound actuarial advice that assists different government departments in the design, funding and

[15] Next peer review findings expected to be published in 2017-18.

administration of these plans. As part of this program, the Chief Actuary submits the actuarial reports to the President of Treasury Board.

Performance Analysis and Lessons Learned

In 2015-16, the OCA continued to provide high quality services under its Public Sector Pension and Insurance Programs sub-program, as demonstrated by performance results. This sub-program also involves the provision of sound actuarial advice that assists different government departments such as the Treasury Board Secretariat, Veterans Affairs Canada, National Defense, Royal Canadian Mounted Police (RCMP), the Department of Justice, and Public Works and Government Services Canada (PWGSC) in the design, funding and administration of the plans for which they are responsible.

As part of its statutory requirements, the OCA completed two actuarial reports with respect to public sector insurance and pension plans, which were submitted to the President of the Treasury Board for tabling before Parliament. The Actuarial Report on the Pension Plan for the Public Service of Canada as at March 31, 2014 and the Actuarial Report on the Public Service Death Benefit Account as at March 31, 2014 were both tabled on January 25, 2016. These reports provide actuarial information to decision makers, Parliamentarians and the public, thereby increasing transparency and confidence in Canada's retirement income system. Work on the Actuarial Report on the Royal Canadian Mounted Police as at 31 March 2015 also began in 2015-16.

Comments and recommendations identified in an Ernst and Young Report from fall 2015 regarding the actuarial reports review for Public Accounts purposes will be reflected – within the scope and influence of the OCA – in future valuation reports.

The Office of the Auditor General (OAG) informed the OCA in 2015-16 that it would be using work it performed for the Public Accounts of Canada 2014-15 tabled in the House of Commons on December 7, 2015. This included utilizing OCA's work as an independent evidence for the OAG's audit of the Public Accounts of Canada for programs included under the Public Sector Insurance and Pension Programs.

Budgetary Financial Resources (dollars)

2015–16 Planned Spending	2015–16 Actual Spending	2015–16 Difference (actual minus planned)
3,135,790	2,922,047	(213,743)

Human Resources (FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
20	16	(4)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Provide accurate, high quality and timely actuarial valuation reports on Public Pension and Insurance Plans to departments to assist with design, funding and administration of the plans.	Public Pension and Insurance Plans valuations are deemed accurate and high quality.	100%	100%
	Reports on actuarial valuation of Public Pensions and Insurance Plans are provided to the President of Treasury Board for tabling in Parliament as per statutory deadlines.	100%	100%

Sub-Program 2.1.3: Services to the Canada Student Loans and Employment Insurance Programs

Description

Pursuant to the Canada Student Financial Assistance Act, the Employment Insurance Act, and Department of Employment and Social Development Act this sub-program involves preparing statutory actuarial valuations of the Canada Student Loans Program (CSLP) and performing the statutory actuarial forecasts and estimates necessary to set the Employment Insurance premium rate under Section 66 of the Employment Insurance Act.

Performance Analysis and Lessons Learned

In 2015-16, the OCA continued to provide high quality services under its Canada Student Loans and Employment Insurance programs sub-program, as demonstrated by performance results. This sub-program also includes services relating to the annual actuarial reports on the Government Annuities and the Civil Service Insurance Program.

As part of its statutory requirements, the OCA submitted to the Minister of Employment and Social Development Canada the Actuarial Report on the Canada Student Loans Program as at July 31, 2014, that was tabled before Parliament on January 20, 2016. The report presents an evaluation of the Program's overall financial costs and increases the level of information available to decision makers, Parliamentarians and the public. Work on the Inter-Valuation Report on the Canada Student Loans Program as at July 31, 2015 also began in 2015-16. The OCA also presented, to the Canada Employment Insurance Commission, the 2016 Actuarial Report on the Employment Insurance Premium Rate that was tabled before Parliament on December 10, 2015. This report provides the forecast break-even premium rate for the upcoming year and a detailed analysis in support of this forecast.

The OCA also submitted the Actuarial Report on the Government Annuities as at March 31, 2015, and the Actuarial Report on the Civil Service Insurance Program as at March 31, 2015 for Employment and Social Development Canada and Service Canada for accounting purposes.

The Office of the Auditor General (OAG) informed the OCA in 2015-16 that it would be using work it performed for the Public Accounts of Canada 2014-15 tabled in the House of Commons on December 7, 2015. This included utilizing OCA's work as an independent evidence for the OAG's audit of the Public Accounts of Canada for programs covered under the CSLP and Government Annuities.

Budgetary Financial Resources (dollars)

2015–16 Planned Spending	2015–16 Actual Spending	2015–16 Difference (actual minus planned)
624,000	804,054	180,054

Human Resources (FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
4	5	1

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Provide accurate, high quality and timely actuarial valuation reports on the CSLP and Employment Insurance (EI) to inform stakeholders and Canadians of the future costs and rates for these programs.	Use of the OCA's actuarial valuation of the CSLP by the Office of the Auditor General (OAG) as an external audit evidence for the Public Accounts of Canada.	100%	100%
	Actuarial reports on CSLP and EI programs are submitted to the Minister/Employment Insurance Commissioner for tabling in Parliament as per statutory deadlines.	100%	100%

Internal Services

Description

Internal services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. Internal services include only those activities and resources that apply across an organization, and not those provided to a specific program. The groups of activities are Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

Performance Analysis and Lessons Learned

During 2015-16, OSFI continued to focus on delivering effective and efficient internal services in support of business sectors, including undertaking various enhancements as evidenced by the following key achievements.

Communicating Effectively

During 2015-2016, OSFI communicated its plans and activities to a wide range of stakeholders via its website and other means. As in previous years, OSFI received many requests to address external conferences and events. The Superintendent and senior OSFI officials delivered presentations across Canada and internationally. OSFI began using webcast information sessions as a means of providing two-way communication with stakeholders. This format has been very well received and OSFI will be looking to expand its use of this tool moving forward. OSFI's external newsletter, The Pillar, was published four times in 2015-2016. It updates stakeholders on the latest guidelines, notices, public statements, and other pertinent information. Internally, a new, more robust intranet site was implemented to ensure all employees are kept apprised of the latest internal initiatives as well as regulatory activities being implemented externally. In addition, webcast town halls were introduced to simultaneously communicate with all OSFI staff and to enhance communication with staff across all OSFI offices.

Renewing Technology and Systems

Through 2015-16, OSFI focused on strengthening its cyber security posture through the development of its cyber security strategy and action plan aimed at enhancing IT security controls and governance processes. The Office's privacy/information management program continues to mature with the delivery of an extensive awareness program across the organization in 2015-16 and the implementation of a multi-year project to deliver a new electronic document and records management system. Corporate services and internal audit staff have successfully moved over to the new system, with the remaining staff scheduled to onboard in 2016-17. Timely and effective change management practices are in place to support this initiative.

Finally, Government of Canada's (GoC) Shared IT Services programs continue to be tracked and GC shared solution opportunities have been integrated, where appropriate, into IM/IT plans.

Managing Human Resources

In 2015-2016, a number of priorities were identified through the Human Resources (HR) planning process and a variety of actions were taken to support OSFI's strategic outcomes. The reorganization of the Supervision Sector was finalized, with new senior managers hired to lead

the Deposit-taking Supervisions Sector, the Insurance Supervision Sector and the Supervision Support Group. Support and oversight was provided to contain costs and growth in the organization and to help managers identify and reallocate resources to address organizational priorities. A bi-annual employee engagement survey was launched with results to be made available in 2016-17. Support was provided to the supervisory groups in the development of a Supervision Training Initiative, a modular learning program for OSFI employees. During 2015-2016, core learning modules were identified and developed, and delivery to staff has begun. Work commenced to develop a five-year Human Capital Strategy to set the strategic direction for HR Policies, programs and practices in support of OSFI's *Compass for Success*.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
58,741,742	58,741,742	58,741,742	57,959,652	(782,090)

Human Resources (FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
201	189	(12)

Section IV: Supplementary Information

Supplementary Information Tables

The following supplementary information tables are available on OSFI's website[xiv].

- Departmental Sustainable Development Strategy
- Internal Audits and Evaluations
- User Fees, Regulatory Charges and External Fees

Federal Tax Expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the Report of Federal Tax Expenditures[xv]. This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in this report are the responsibility of the Minister of Finance.

Organizational Contact Information

Website:
http://www.osfi-bsif.gc.ca

General enquiries:
Email: information@osfi-bsif.gc.ca
Phone: 1-800-385-8647 (Monday through Friday, between 8:30 a.m. and 6:00 p.m. (Eastern Time).

Head Office and mailing address:
255 Albert Street
Ottawa, Ontario
K1A 0H2
Canada

Appendix: Definitions

appropriation (*crédit*): Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures (*dépenses budgétaires*): Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report (*rapport ministériel sur le rendement*): Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Reports on Plans and Priorities. These reports are tabled in Parliament in the fall.

full-time equivalent (*équivalent temps plein*): A measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes (*résultats du gouvernement du Canada*): A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure (*Structure de la gestion, des ressources et des résultats*)**:** A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures (*dépenses non budgétaires*): Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance (*rendement*)**:** What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

performance indicator (*indicateur de rendement*): A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting (*production de rapports sur le rendement*): The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending (*dépenses prévues*): For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

plans (*plan*): The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities (*priorité*)**:** Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program (*programme*)**:** A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture (*architecture d'alignement des programmes*)**:** A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities (*rapport sur les plans et les priorités*): Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

results (*résultat*): An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures (*dépenses législatives*): Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome (*résultat stratégique*): A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program (*programme temporisé*): A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target (*cible*): A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures (*dépenses votées*): Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

Whole-of-government framework (*cadre pangouvernemental*): Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

i. **Office of the Superintendent of Financial Institutions Act,** http://laws-lois.justice.gc.ca/eng/acts/O-2.7/

ii **Prime Minister of Canada's website,** http://pm.gc.ca/eng/ministerial-mandate-letters

iii. ***Public Accounts of Canada 2016***, http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html

iv **Whole of Government Framework,** http://www.tbs-sct.gc.ca/hgw-cgf/finances/rgs-erdg/wgf-ipp-eng.asp

v. ***OSFI Financial Statements***, http://www.osfi-bsif.gc.ca/Eng/osfi-bsif/rep-rap/ar-ra/Pages/default.aspx

vi **OSFI Future-Oriented Financial Statements**: http://www.osfi-bsif.gc.ca/Eng/osfi-bsif/rep-rap/rpp/Pages/default.aspx

vii. **Overview of the Financial Institutions Survey Findings,** http://www.osfi-bsif.gc.ca/Eng/osfi-bsif/rep-rap/srv-sdg/Pages/fis1415_let.aspx

viii **Methodology for OSFI Performance Indicators,** http://www.osfi-bsif.gc.ca/Eng/osfi-bsif/rep-rap/dpr-rmr/1516/Pages/kpi.aspx

ix. **International Monetary Fund's 2014 Financial Sector Assessment Program for Canada – Basel Core Principles for Effective Banking Supervision,** http://www.imf.org/external/pubs/ft/scr/2014/cr1471.pdf

x. **International Monetary Fund's 2014 Financial Sector Assessment Program for Canada - Insurance Core Principles,** http://www.imf.org/external/pubs/cat/longres.aspx?sk=41408.0

xi. **Basel Committee on Banking Supervision – Regulatory Consistency Assessment Programme,** http://www.bis.org/bcbs/implementation/l2_ca.pdf

xii. **Service Standards,** http://www.osfi-bsif.gc.ca/Eng/fi-if/app/aag-gad/Pages/standards.aspx

xiii **Overview of the Pension Plans Survey Findings,** http://www.osfi-bsif.gc.ca/Eng/osfi-bsif/rep-rap/srv-sdg/Pages/pps1415_let.aspx

xiv **Supplementary Information Tables,** http://www.osfi-bsif.gc.ca/Eng/osfi-bsif/rep-rap/dpr-rmr/Pages/default.aspx

xv **Report of Federal Tax Expenditures,** http://www.fin.gc.ca/purl/taxexp-eng.asp